

The true revolution we are seeing stems not so much from a move to bottom-up planning as from a conviction that support for development can be bought and sold, says David Lock

# the monetisation of planning



At the *Property Week* conference 'Planning Under the Coalition', held at lawyers Hogan Lovells' office in London on 9 November, John Howell MP declared himself to be the author of *Open Source Planning*, the Conservative Party's manifesto on the subject. This might be stale buns to many readers, but others will be pleased to have the mystery author identified. The plea often heard was 'where on earth are the Tories getting this stuff from?'. Now you know.

John Howell has been MP for Henley since the 2008 by-election. The inestimable Wikipedia tells us he holds a doctorate in archaeology and worked as a tax inspector before moving into the world of accountancy and consultancy, becoming a partner in Ernst & Young in 1990. He helped open Eastern Europe to business after the fall of communism, for which he received his OBE. He has also been a presenter for BBC World Services Television, a parish councillor, and a member of Oxfordshire County Council. He has also created businesses of his own, apparently in the field of communications and public relations (or so he indicated to the conference, where he said the new planning system meant *engaging* with communities as distinct from *consulting* communities – a huge area of new business familiar to him, but one which he would have to let pass as an MP).

Following the 2010 general election, John Howell was appointed the Parliamentary Private Secretary to the Leader of the House of Commons and Lord Privy Seal, Sir George Young Bt MP.

The background of the principal author of *Open Source Planning* may explain some of both its strengths and its weaknesses. First, it is written from a the perspective of a County with strong planning tradition – large enough to take a strategic view, but local enough to know main local players and the lie of the land. But much of England has been free of Counties for years and has no yearning to be returned to their bosom. Other parts of England have Counties with boundaries that are bizarre when compared with modern economic and social geography.

*Open Source Planning* expresses indignation at the apparatus of regional government and its 'Regional Spatial Strategies' (which had come to be called 'regional plans' because 'RSS' sounded silly in the pub). In Oxfordshire, as in most Home Counties, it is a common (and erroneous) prejudice that the regional plans were 'forcing' housing with 'top-down' aggression into their area, against local wishes. This prejudice is particularly ironic for a County folk who have spent the past several decades consciously diverting as much of its own growth as possible into other areas. A 'bottom-up' push in one place, was coming out as a 'top-down' imposition somewhere else!

*Open Source Planning* is also written in the expectation that an educated and informed local population will find the time and inclination to understand their locality and plan for it at the neighbourhood level; and that the housebuilding industry is strong enough to be knocked about to do the people's will. That's very Oxfordshire – but the reality in large swathes of England is different on both counts.

But these critical observations each carry an obverse which allow us to admire the strength of *Open Source Planning*. The regional planning apparatus was often a charade: under-resourced staff, ruled by horse-trading councillors swinging the lead in producing regional plans because they were controversial, and relying ultimately on ritualistic 'examinations' by panels who usually chose the middle way on housebuilding requirements. Oxfordshire is a good size and shape for a County and ran a good professional operation, and in such places it is obvious that something was needed above the local district level to sort out strategic issues. Last, an educated and informed population can be created, if there is investment in education and information, and people everywhere will make the time to plan if *engaged* with rather than just *consulted*.

Now we can see how far *Open Source Planning* – which was a subject of quick settlement in the Coalition Agreement, we were told – has been carried into government. The new White Paper *Local Growth*<sup>1</sup> sticks sternly to the majority of the *Open Source* recipe. This shows the political force of John Howell's approach to the subject.

*Open Source Planning* contributes to *Local Growth* a vision of 'bottom-up' planning in which citizens

willingly plan their neighbourhoods, confronting the need for new development in a responsible manner, championing the concept of sustainable development. But the vision of investment in citizenship – in making available the knowledge on relevant matters, and explaining the consequences of exercising judgement – is not developed in *Local Growth*. Instead, we find a new life form that was not in *Open Source* – the monetisation of planning.

It is significant that a key part of the Coalition Government's new planning system is launched not by the Secretary of State for Communities and Local Government, but by Vince Cable, the Secretary of State for Business, Innovation and Skills. The true revolution we are seeing is not the creation of bottom-up planning. The pendulum has swung that way before and must of necessity swing back a bit. It will find a balance. The true revolution is to embed the notion that support for development can be bought and sold for money. This is seriously radical stuff.

### **'Some issues, and some places, have dimensions that are not material in a way that can be converted into cash'**

We trace the rehearsal of these ideas not to John Howell, but to Grant Shapps, MP for Welwyn and Hatfield (a constituency lying near the heart of the Town and Country Planning Association, sometime promoter of garden cities and new towns) and now Minister of State for Housing and Planning. It was Mr Shapps, before the election, who trailed the idea that local councils might be 'incentivised' to approve development by being allowed to keep the local taxes they generate, and that local residents might be 'persuaded' by developers to support their schemes if they were to benefit financially.

This monetisation of the planning system is developed further in the *Local Growth* document and what it is spawning. Council Tax revenue generated by housing development might be kept for six years, match-funded by central government. This is badged as the 'New Homes Bonus'.<sup>2</sup>

The power to set and collect business rates might be returned to the town hall, together with the power to keep increases in business rates 'up to a certain level' for up to six years by means of a 'Business Bonus Increase'. Indeed, a whole Local Government Resource Review is to set the system tingling with incentives for growth.

Where to stand in this maelstrom?

First, don't panic about local plan-making. The need for it is politically understood; just get on with it, for there is no more 'guidance' to come. Collect relevant evidence; set things out clearly and truthfully; engage with all communities but mostly local councillors, for they are the decision-makers; help people work things out for themselves; and stop the silly jargon.

Second, don't panic about strategic planning. The need to decide some things at higher-than-local levels is understood. There will be a wide variety of forums – Local Enterprise Partnerships, resurgent Counties, informal groups of planning authorities – and soon enough the need for properly resourced and accountable apparatus will re-emerge, and maybe this time it will be set up properly.

But as for the monetisation of planning, be ready for the whirlwind. I think the incentives for local government to become pro-development will bear fruit very quickly. The incentives will be backed by increasing desperation at all levels for new homes to be built, and for the economy to get moving again. The atmosphere will change within months. The development industry will quickly learn the techniques of proper community engagement, and how to buy local support (in every sense). The demographic pressure is there, the political pressure will get stronger, and the NIMBYs will find that their happy summer is over.

There is excitement to be felt in this exhilarating change, and in the freshness and candour of John Howell's diagnosis of broken planning and his prescription for reform. But the tectonic plate shifting by Vince Cable as he unveils monetisation of planning causes unease. I don't doubt it will be effective in letting loose the forces of development, but resist the argument that everything we hold dear as individuals or as a society has a monetary value, and can be traded. Some issues, and some places, have dimensions that are not material in a way that can be converted to cash. They are a weave of softer and more or less measurable traces of history, culture, ecology, spirituality and humanity. It is a cold hard world into which we are being taken.

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#### Notes

- 1 *Local Growth: Realising Every Place's Potential*. Cm 7961. HM Government, 28 Oct. 2010. [www.official-documents.gov.uk/document/cm79/7961/7961.pdf](http://www.official-documents.gov.uk/document/cm79/7961/7961.pdf)
- 2 *New Homes Bonus. Consultation*. Department for Communities and Local Government, 12 Nov. 2010. [www.communities.gov.uk/documents/housing/pdf/1767788.pdf](http://www.communities.gov.uk/documents/housing/pdf/1767788.pdf)